



Utility and ESCO Partnering

Presented to Eighth National Green Power Marketing Conference

by Mel Jones

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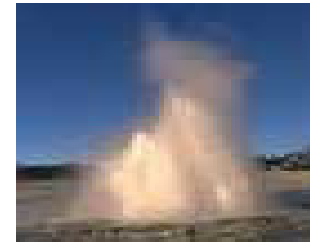
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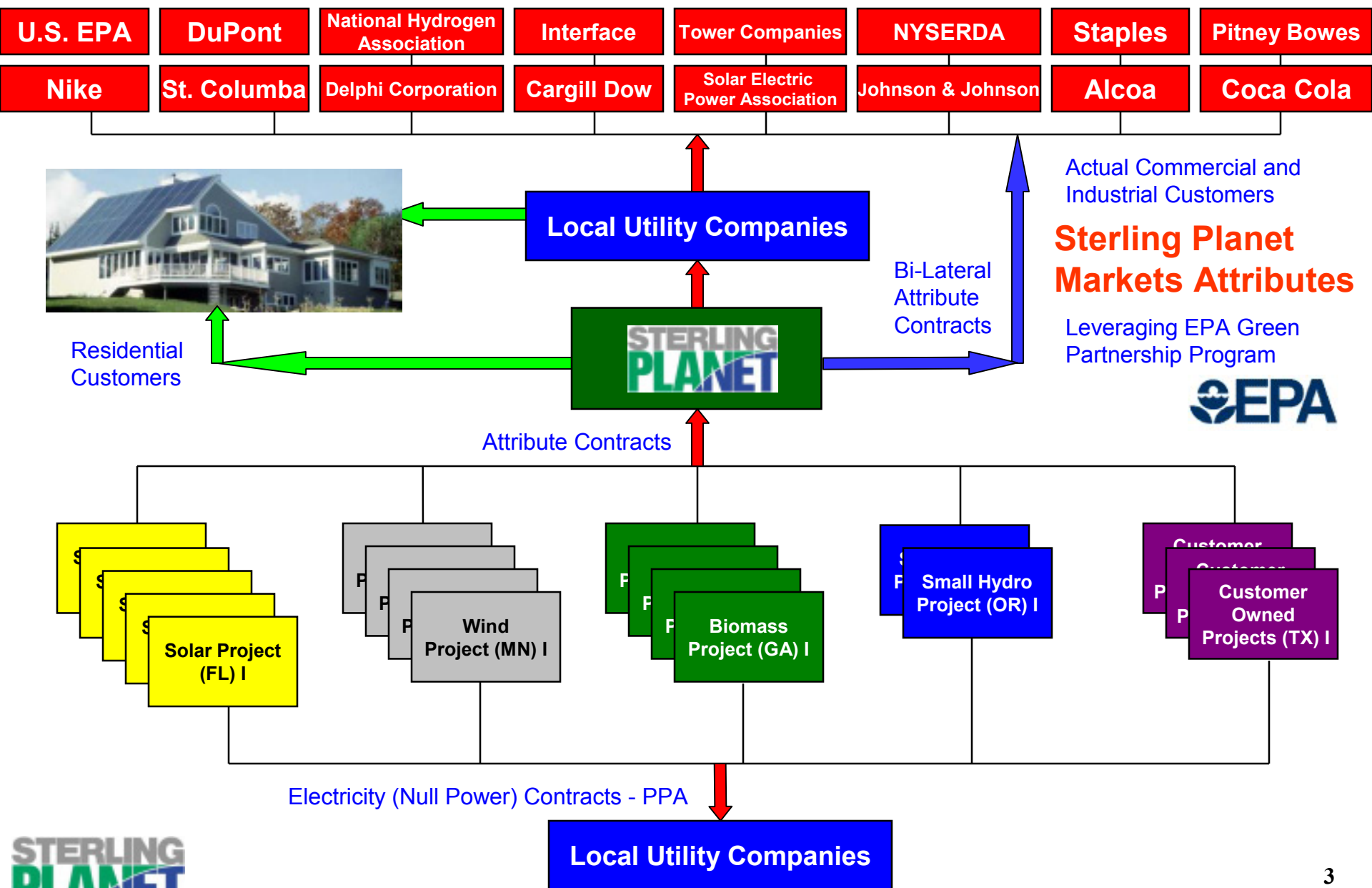
Company Background and Introduction



- Founded January 2000
- First with a nationwide 100% green energy choice
- Sold over 926,000,000 kWh of green energy
 - Includes largest transaction in U.S. green energy history
- Buyer and seller of green energy certificates
- Developer of green energy projects (\$1-100M projects)
- Customers in 45 states, plus Washington, DC
- Sterling Planet Focuses on:
 - Utilities and ESCO partnering – 14 utilities to date
 - Largest number of utility / ESCO partners in the industry
 - Green Certificate Sales to Business
 - Greening Up Buildings
 - Member of U.S. Green Building Council
- Certified Products by Both Major Certification Organizations
 - Center for Resource Solutions (Green-e)
 - Environmental Resources Trust (ERT)



Connecting The Market



Our Management Team

235 years of utility experience

- Regulated and deregulated markets
- Gas and electric
- National and international
- Building, owning, operating power plants
 - Renewable
 - Conventional
- Business partner development
- Financial analysis
- Power purchase agreements

Chairman, Therrell “Sonny” Murphy, Jr.

- Former Treasurer of Southern Company and CFO of Several Southern Company Subsidiaries
- For 5 Years Led Southern Electric International (SEI) – Now Called Mirant



Key Elements for Successful Utility and ESCO Partnering

Know Your Client's Business Thoroughly

- For Example -- When is the Next Rate Case?
- Are the Executives Supportive or Coerced into this Program?
- What Environmental Issues Is the Utility Facing in the Community? At the State Level?
- Include the Commercial and Industrial sales management in your discussions

Work with Your Client for the Long Haul – Not the Short Run

- For Example -- What are its power needs (not just green) for the next decade?
- Work with the resource planning group – remember in a 10% RPS state, 90% is not green

Realize the Green Program Is a Small Portion of the Utility / ESCO Priorities

- Some of Which Conflict with the Green Program
- These people are busy, so Work within their schedules and timeframes

Key Elements for Successful Utility and ESCO Partnering

Make Your Utility Contacts Successful

- Give Them All the Credit
- “Fall On Your Sword” When Something Goes Wrong
- Remember They Are The Reason You Are There
- Recognize they may have been with the utility for 10-20 years, but probably have not implemented a green program before
- Introduce them to colleagues in the industry to get ideas and share war stories

Set Realistic Goals – Then Exceed Them

- Most utility programs ramp up and “need legs”
- Most utility programs are breakeven at best – don’t hide this fact

Be the Client’s Advocate

- At the Public Service Commission
- With Upper Management
- With Suppliers
- With Developers
- With Customers and Environmental Groups

Key Elements for Successful Utility and ESCO Partnering

Support Their Decisions Enthusiastically – Put Utility / ESCO Interests First

- For Example -- If they want to postpone a rollout until later because of a commission issue, until after an election -- Understand and Support
- Let them Price the Product
- Let them Blend the Product

Offer Your Utility / ESCO Clients a Comprehensive Green Marketing Program

- Phased Implementation
- Strong and Flexible Enrollment Capabilities
- Client Education
- Community Outreach
- Call Center Training
- Offer special marketing campaigns
- Grassroots Focused as well as Mass Marketing
- Develop new renewable energy projects

Key Elements for Successful Utility and ESCO Partnering

Give the Utility / ESCOs Green Customer Choices

---- Remember -- One Product Does Not Fit All Customers ----

- For Example -- Multiple Price Points for Residential and Business Customers
- Multiple Blend Content
- Multiple Enrollment Methods
 - Telephone
 - Website
 - FAX Forms
 - Reply Cards
 - Events
 - Kiosk
 - Credit Card Payment

Offer the Utility / ESCO Value Added Services

- For Example – Resell their excess green tags for them
- Coordinate Certification Program for them
- Bring Large National Accounts to the Utility / ESCO

Key Elements for Successful Utility and ESCO Partnering

Help The Utility / ESCO Develop and Manage Their Supply

- Know All Types of Renewable Supply
- Don't Have a Preference or Bias towards One Technology
- Build a Showcase Supply Project

Leverage the Utility / ESCO Brand (Hide Yours)

- The Utility Brand is Known and Trusted
- The Marketer's Brand Can Confuse the Customer

Be Their Green Expert in and about the Marketplace

- Know the Status of Subsidies and Grants
- Know energy policy both at the Federal and State Level

Focus on Both Residential and Business Clients

- Residential for Credibility
- Business for Revenue

How Much Can Business Customers Help Your Program?

Category	Current PacifiCorp	Current Austin Energy	Comments
Total Number of Customer Participants	20,028	6,725	
National Ranking	3rd	8th	PacifiCorp's ranking is impressive
Annual Renewable Energy Sales (kWh)	55,615,000	251,520,000	
National Ranking	6th	1 st	
Annual kWh Sales Per Customer	2,777	34,401	Austin Energy's sales are more than 12 times greater than PacifiCorp's when measured on annual kWh sold per customer

Source: National Renewable Energy Laboratory as of December 2002

Key Elements for Successful Utility and ESCO Partnering

Get As Many Press Opportunities for Their Program As Possible

- Leverage National Press
- Environmental Contacts
- Community Newspapers and Media

Don't Be Bureaucratic

- Many times your policies and processes are easier than theirs

When Selecting a Utility Partner



Get References!!

- Are they easy to work with?
- Are they flexible?
- Do they have knowledgeable people?

Do They Have Clients Like You – IOU, Public Power Utility, ESCO?

Do They Have A Turnkey Program?

Can They Meet Your Timeframe?

Can They Deliver Your Program?

FINALLY --- PICK A LONG-TERM PARTNER, NOT A VENDOR



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Questions?

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